

**Volunteers of America of North Louisiana
Shreveport, Louisiana**

June 30, 2017

**Volunteers of America of North Louisiana
Shreveport, Louisiana**

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Volunteers of America of North Louisiana
Shreveport, Louisiana

Consolidated Statement of Financial Position
June 30, 2017
(with Comparative Totals for 2016)

	2017	2016
ASSETS		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	\$ 1,072,639	\$ 646,540
ACCOUNTS RECEIVABLE, NET	1,541,093	1,392,651
PLEDGES RECEIVABLE	576,940	571,477
PREPAID EXPENSES	84,869	79,227
OTHER CURRENT ASSETS	103,730	76,389
TOTAL CURRENT ASSETS	3,379,271	2,766,284
FIXED ASSETS		
LAND AND BUILDINGS	3,900,112	4,015,037
FURNISHINGS AND EQUIPMENT	1,440,245	2,266,253
ACCUMULATED DEPRECIATION	(2,657,559)	(3,468,441)
TOTAL FIXED ASSETS	2,682,798	2,812,849
OTHER ASSETS		
DESIGNATED AND RESTRICTED ASSETS	2,960,850	2,862,752
NOTES RECEIVABLE, NET	200,000	200,000
OTHER ASSETS	1,756,328	1,758,376
TOTAL OTHER ASSETS	4,917,178	4,821,128
TOTAL ASSETS	\$ 10,979,247	\$ 10,400,261
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$ 160,880	\$ 147,345
LINE OF CREDIT	268,830	437,669
CURRENT PORTION OF LONG TERM DEBT	31,832	33,117
ACCRUED EXPENSES	701,173	577,667
CONTRACT GRANTS AND ADVANCES	36,600	-
OTHER CURRENT LIABILITIES	(1,612)	9,604
TOTAL CURRENT LIABILITIES	1,197,703	1,205,402
OTHER LIABILITIES		
MORTGAGES PAYABLE, NON CURRENT	640,000	640,000
OTHER LONG TERM LIABILITIES	260,297	249,108
TOTAL OTHER LIABILITIES	900,297	889,108
TOTAL LIABILITIES	2,098,000	2,094,510
NET ASSETS		
UNRESTRICTED	3,035,281	2,770,009
UNRESTRICTED - DESIGNATED	754,165	686,751
TEMPORARILY RESTRICTED	3,445,536	3,212,301
PERMANENTLY RESTRICTED	1,646,265	1,636,690
TOTAL NET ASSETS	8,881,247	8,305,751
TOTAL LIABILITIES AND NET ASSETS	\$ 10,979,247	\$ 10,400,261

The accompanying Notes are an integral part of these statements.

Volunteers of America of North Louisiana
Shreveport, Louisiana

Consolidated Statement of Activities
for the Year Ended June 30, 2017
(with Comparative Totals for 2016)

	UNRESTRICTED	DESIGNATED UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	2017 TOTAL	2016
REVENUE FROM OPERATIONS						
<i>PUBLIC SUPPORT RECEIVED DIRECTLY</i>						
Contributions	\$ 1,088,826	\$ 25,000	\$ 1,252,357	\$ 8,575	\$ 2,374,758	\$ 2,127,346
Contributions, In-Kind	504,497	-	1,134	-	505,631	614,187
<i>PUBLIC SUPPORT RECEIVED INDIRECTLY</i>						
United Way	97,072	-	40,000	-	137,072	129,876
Combined Federal Campaign	241	-	-	-	241	736
TOTAL PUBLIC SUPPORT	1,690,636	25,000	1,293,491	8,575	3,017,702	2,872,145
REVENUE & GRANTS FROM GOVNTL AGENCIES	12,939,304	-	5,000	-	12,944,304	11,967,616
<i>OTHER REVENUE</i>						
Program Service Fees	350,116	-	-	-	350,116	366,317
Rental Income	550	-	-	-	550	650
Unusual or Infrequently Occurring Items, Net	-	228,638	-	-	228,638	-
Other Operating Income	11,422	-	-	-	11,422	12,739
TOTAL OTHER REVENUE	362,088	228,638	-	-	590,726	379,706
NET ASSETS RELEASED FROM RESTRICTION	1,567,182	(371,908)	(1,196,274)	1,000	-	-
TOTAL REVENUE FROM OPERATIONS	16,559,210	(118,270)	102,217	9,575	16,552,732	15,219,467
OPERATING EXPENSES						
Encouraging Positive Development	2,052,689	-	-	-	2,052,689	2,120,516
Fostering Independence	8,634,618	-	-	-	8,634,618	7,716,880
Promoting Self-Sufficiency	2,800,235	-	-	-	2,800,235	2,902,908
TOTAL PROGRAM SERVICES	13,487,542	-	-	-	13,487,542	12,740,304
Management and General	1,813,863	-	-	-	1,813,863	1,636,769
Fund Raising	725,225	-	-	-	725,225	633,055
TOTAL SUPPORTING SERVICES	2,539,088	-	-	-	2,539,088	2,269,824
Affiliate Fees	357,343	-	-	-	357,343	313,577
TOTAL OPERATING EXPENSES	16,383,973	-	-	-	16,383,973	15,323,705
EXCESS (DEFICIT) FROM OPERATIONS	175,237	(118,270)	102,217	9,575	168,759	(104,238)
NON-OPERATING ACTIVITY						
Interest and dividend income	79,008	125,256	34,078	-	238,342	240,568
Gains (losses) on disposition of assets	11,027	-	-	-	11,027	-
Gains (losses) on investments	-	67,440	108,263	-	175,703	(63,643)
Other non-operating gains (losses)	-	(7,012)	(11,323)	-	(18,335)	(17,412)
SURPLUS (DEFICIT) FROM NON-OPERATING ACTIVITY	90,035	185,684	131,018	-	406,737	159,513
CHANGE IN NET ASSETS	265,272	67,414	233,235	9,575	575,496	55,275
NET ASSETS AT BEGINNING OF PERIOD	2,770,009	686,751	3,212,301	1,636,690	8,305,751	8,250,476
NET ASSETS AT END OF PERIOD	\$ 3,035,281	\$ 754,165	\$ 3,445,536	\$ 1,646,265	\$ 8,881,247	\$ 8,305,751

The accompanying Notes are an integral part of these statements.

Volunteers of America of North Louisiana
Shreveport, Louisiana

Consolidated Statement of Functional Expenses
for the Year Ended June 30, 2017
(with Comparative Totals for 2016)

	Program Services				Support Services			2017 Totals	2016
	Encouraging Positive Development	Fostering Independence	Promoting Self- Sufficiency	Total	Management and General	Fund Raising	Total		
Salaries	\$ 1,056,180	\$ 5,735,002	\$ 1,280,500	\$ 8,071,682	\$ 1,065,138	\$ 237,290	\$ 1,302,428	\$ 9,374,110	\$ 8,560,531
Pension Expense	24,667	62,234	17,543	104,444	61,294	9,476	70,770	175,214	157,005
Other Employee Benefits	131,404	606,036	158,827	896,267	140,531	17,011	157,542	1,053,809	947,584
Payroll Taxes	76,667	430,031	96,366	603,064	45,249	13,952	59,201	662,265	596,942
Legal Fees	433	917	150	1,500	3,699	72	3,771	5,271	880
Accounting Fees	-	-	-	-	37,500	-	37,500	37,500	32,750
Other Professional Fees	77,196	353,941	165,721	596,858	138,529	224,206	362,735	959,593	988,920
Supplies and Expenses	30,182	87,497	364,380	482,059	10,532	25,735	36,267	518,326	562,414
Telecommunications	19,492	69,281	25,541	114,314	10,875	5,474	16,349	130,663	160,859
Postage	379	898	495	1,772	3,283	13,887	17,170	18,942	23,107
Occupancy	316,517	217,720	106,588	640,825	69,610	45,882	115,492	756,317	685,750
Interest	-	-	-	-	15,118	-	15,118	15,118	3,793
Insurance	39,983	118,136	89,525	247,644	50,476	9,590	60,066	307,710	290,318
Equipment Rental and Maintenance	18,421	50,324	26,941	95,686	28,939	6,171	35,110	130,796	131,754
Printing and Publications	1,237	2,612	1,134	4,983	1,760	10,432	12,192	17,175	12,823
Travel and Transportation	25,492	121,502	112,004	258,998	2,792	1,503	4,295	263,293	268,451
Conferences and Meetings	27,198	15,737	2,466	45,401	46,821	18,585	65,406	110,807	73,958
Specific Assistance to Individuals	197,998	669,723	229,276	1,096,997	-	17,496	17,496	1,114,493	1,224,317
Other	-	36,079	654	36,733	135	67,548	67,683	104,416	79,320
National Supervisory Fees	-	-	-	-	357,343	-	357,343	357,343	313,577
Total Expenses Before Depreciation	2,043,446	8,577,670	2,678,111	13,299,227	2,089,624	724,310	2,813,934	16,113,161	15,115,053
Depreciation	9,243	56,948	122,124	188,315	81,582	915	82,497	270,812	208,652
Total Functional Expenses	\$ 2,052,689	\$ 8,634,618	\$ 2,800,235	\$ 13,487,542	\$ 2,171,206	\$ 725,225	\$ 2,896,431	\$ 16,383,973	\$ 15,323,705

The accompanying Notes are an integral part of these statements.

Volunteers of America of North Louisiana

Shreveport, Louisiana

Consolidated Statement of Cash Flows for the Year Ended June 30, 2017 (with Comparative Totals for 2016)

	2017	2016
Change in Net Assets	\$ 575,496	\$ 55,275
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by (Used in) Operating Activities		
Depreciation	270,812	208,652
Contributions restricted to long-term	(9,300)	(119,775)
Contributions restricted to purchase equipment	(26,500)	-
Restricted interest & dividends	(159,334)	(86,775)
(Gain) Loss on Sale of Fixed Assets	6,538	-
(Gain) Loss on Investment Transactions	(175,703)	63,643
(Increase) Decrease in:		
Accounts Receivable, Net	(148,442)	(208,385)
Pledges Receivable, Net	(5,463)	105,938
Prepaid Expenses	(5,642)	(365)
Other Assets	1,722	(81,475)
Increase (Decrease) in:		
Accounts Payable	13,535	(13,526)
Contract Advances	36,600	
Accrued Expenses	123,506	76,794
Other Liabilities	(22,396)	(7,363)
Net Cash Provided by (Used in) Operating Activities	475,429	(7,362)
Cash Flows from Investing Activities		
Proceeds from Sale of Fixed Assets	-	-
Proceeds from property & equipment insurance recovery	8,024	-
Proceeds from (Loans to) related parties	(27,020)	(23,978)
Proceeds from Sale of Investments	145,116	583,767
Purchase of Investments	(106,908)	(237,757)
Purchase of Fixed Assets	(155,320)	(315,157)
Net Cash Provided by (Used in) Investing Activities	(136,108)	6,875
Cash Flows from Financing Activities		
Contributions restricted to long-term	9,300	119,775
Contributions restricted to purchase equipment	26,500	-
Restricted interest & dividends	159,334	86,775
Payments on Notes Payable	(5,817,446)	(931,687)
Proceeds from Issuance of Notes Payable	5,709,090	1,166,138
Net Cash Provided by (Used in) Financing Activities	86,778	441,001
Net Increase (Decrease) in Cash and Cash Equivalents	426,099	440,514
Cash and Cash Equivalents - Beginning	646,540	206,026
Cash and Cash Equivalents - Ending	\$ 1,072,639	\$ 646,540
Supplemental Disclosure of Cash Flow Information:		
Cash Paid for Interest During the Year	\$ 15,118	\$ 3,793
Schedule of Noncash Investing Transactions		
Inkind Contribution of Fixed Assets	\$ -	\$ 8,660

The accompanying Notes are an integral part of these statements.

Volunteers of America of North Louisiana Shreveport, Louisiana

Notes to the Consolidated Financial Statements
June 30, 2017

Note 1 Organization

The consolidated financial statements for Volunteers of America of North Louisiana include Volunteers of America of North Louisiana, Volunteers of America of North Louisiana .Housing Development Corporation and McAdoo Services Corporation, which collectively are referred to as “the Organization”, “VOA” or “the VOA”. All significant intercompany transactions and balances have been eliminated in consolidation. Volunteers of America of North Louisiana is a nonprofit spiritually based human services organization, incorporated in the State of Louisiana, that provides social services within North and Central Louisiana under a charter from Volunteers of America, Inc., a national nonprofit spiritually based organization providing local human service programs, and opportunities for individual and community involvement.

The VOA's programs are grouped into three major impact areas:

Encouraging Positive Development

Within the impact area of encouraging positive development, VOA provides services to encourage positive development for troubled and at-risk children and youth, while also promoting the healthy development of all children, adolescents and their families. VOA's programs provide a continuum of care and support for young people ages birth to 21 through prevention, early intervention, crisis intervention and long-term services.

This impact area includes the following categories:

Children and Youth

- 21st Century Community Learning Centers – school-based afterschool care
- Communities in Schools – mentor and school-based services
- Light House – community-based afterschool care

Community Enhancement

- Parents as Teachers – parent education and family support
- Family Resource Center – family preservation
- Pregnancy Services – counseling
- Neighbors for Neighbors – family support

Fostering Independence

Within the impact area of fostering independence, VOA fosters the health and independence of the elderly and persons with disabilities, mental illness and HIV/AIDS through quality affordable housing, health care services and a wide range of community services.

This impact area includes the following categories:

Disabilities Services

- Eligibility Assistance Region 6 – disability services related to health benefits
- Eligibility Assistance Region 7 – disability services related to health benefits
- Eligibility Assistance Region 8 – disability services related to health benefits
- Personal Care – in-home supports for developmentally disabled persons
- Supported Independent Living – assisted independence for developmentally disabled persons
- Adult Day Health Care – community-based center providing services for medical, nursing, social, and personal care needs to adults who have physical, mental or functional impairments.

Elderly Services

- Senior Lunch – meal in social setting for senior citizens

Mental Health

- Supervised Independent Living – supportive housing for mentally ill
- GAPS – supportive housing for mentally ill persons in a congregate setting
- SHOC – supportive housing for mentally ill persons in scattered site apartments
- Assertive Community Outreach Services – outpatient services for seriously mentally ill clients
- Intensive Sheltering Program – respite care for chronically mentally ill adults
- HUD Central LA – housing with supportive services for mentally ill adults
- Behavioral Health Rehab – outpatient services for adults with serious mental illness
- Behavioral Health Advocacy – linking children in Central LA with appropriate services
- Behavioral Health Navigator Pilot – prevention of recurring emergency room visits and hospital stays by ensuring adherence to discharge plan
- Transitional Residential Living – transitional housing in Central LA for those with mental illness

Housing – Disabled Housing and Elderly Housing

- HUD Management – 100 units at 6 properties housing persons with disabilities

Promoting Self-Sufficiency

Within the impact area of promoting self-sufficiency, VOA promotes self-sufficiency for individuals and families who have experienced homelessness or other personal crisis, including chemical dependency, involvement with the corrections system and unemployment. VOA focuses on solution-oriented approaches, using a continuum of services from prevention to intervention to long-term support.

This impact area includes the following categories:

Community Enhancement

- Partners in Literacy – adult literacy

Homeless Services

- Supportive Services – eviction prevention, employment, and other services for veterans and their families to prevent future homelessness
- Supportive Services – housing placement and supportive services for housing stabilization

Housing

- McAdoo – supported living for homeless adults with major mental illness
- VA Housing – transitional housing for homeless veterans
- Safe Haven – transitional shelter for homeless veterans
- Rural Vets Coordination Pilot – case management for veterans living in rural areas to connect them to needed and available medical services
- Permanent Supportive Housing – case management for behavioral health adults to obtain and maintain housing

Emergency Services

- Disaster Case Management – providing supportive services to the victims of the flood

The continued existence of new funds for the preceding programs, which are primarily funded through grants and contracts, will be dependent upon contractual renewals with VOA's various funding sources.

Note 2 Summary of Significant Accounting Policies

Basis of Accounting - The accounting policies of VOA conform to generally accepted accounting principles as applicable to voluntary health and welfare organizations. VOA prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred. The more significant accounting policies of the VOA are described below:

Accounts Receivable - The VOA predominantly extends credit through billing for reimbursement of allowed costs in connection with providing services under contract with various federal and state agencies. The VOA also extends credit to select individuals in the course of other services for fees in Central and North Louisiana. All extensions of credit are on an unsecured basis. Grant receivables are recorded at the amount billed and are deemed delinquent based on contractual terms.

Allowance for Doubtful Accounts - The allowance for doubtful accounts is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the receivables in light of historical experience, the nature and type of account, adverse situations that may affect the payer's ability to repay and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available. Receivables deemed uncollectible are charged against the allowance when management believes the uncollectibility is confirmed.

Property and Equipment - Land, buildings and equipment purchased by the VOA are recorded at cost. VOA capitalizes all expenditures for land, buildings and equipment in excess of \$5,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is computed on the straight-line method based upon the following estimated useful lives of the assets: furniture and equipment – five to ten years; transportation vehicles – five years and buildings and improvements – thirty years. Certain property and equipment purchased with grant funds may revert back to the funding agency if the program is closed or abandoned and proceeds from the sale of certain property could be returned to the granting agency.

Cash Equivalents - Cash equivalents are all highly liquid investments with a maturity of three months or less when purchased, unless held for reinvestment as part of the investment portfolio, pledged to secure loan agreements or otherwise designated or restricted. The carrying amount approximates fair value because of the short maturity of those instruments. Included in cash and cash equivalents at June 30, 2017 was \$574,049 of restricted cash.

Contributions - Contributions are generally recorded only upon receipt, unless evidence of an unconditional promise to give has been received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. Conditional promises to give are not included as support until such time as the conditions are substantially met. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Contributed Services - The VOA recognizes contribution revenue for certain services received at the fair value of those services, provided those services create or enhance non-financial assets or require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Substantially all contributed services were used for programs encouraging positive development.

Restricted and Designated Assets - Restricted and designated assets, if any, represent assets that are encumbered by donor restrictions, legal agreements or otherwise unavailable for the general use of the VOA. This category generally includes client/custodial funds, escrow/reserve funds, temporarily and permanently restricted assets and securities that are pledged and held by the lender as collateral for financing.

Net Assets - The VOA classifies net assets into three categories: unrestricted, temporarily restricted and permanently restricted. All net assets are considered to be available for unrestricted use unless specifically restricted by the donor or by law. Temporarily restricted net assets include contributions with temporary, donor-imposed time or purpose restrictions. Temporarily restricted net assets become unrestricted and are reported in the statement of activities as net assets released from restrictions when the time restrictions expire or the contributions are used for the restricted purpose. Permanently restricted net assets include contributions with donor-imposed restrictions requiring resources to be maintained in perpetuity, but permitting use of all or part of the investment income earned on the contributions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Operations - The VOA defines operations as all program and supporting service activities undertaken (see Note 1). Revenues that result from these activities, and their related expenses, are reported as operations. Gains, losses and other revenue that result from ancillary activities, such as investing liquid assets and disposing of fixed or other assets, are reported as non-operating.

Income Taxes - Under provisions of Section 501(c)(3) of the Internal Revenue Code and the applicable income tax regulations of the State of Louisiana, Volunteers of America of North Louisiana is exempt from income taxes, except for net income from unrelated business income, as a subordinate unit of Volunteers of America, Inc. Volunteers of America, Inc. is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as a religious organization described in Section 501(c)(3). There were no unrelated business activities in 2017. Accordingly, no tax expense was incurred for the year ended June 30, 2017.

VOA has adopted the provisions of FASB ASC 740-10-25. Under FASB ASC 740-10-25, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not the position will be sustained. VOA does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. For the year ended June 30, 2017, there were no interest or penalties recorded or included in its financial statements.

Investments - Investments consist primarily of bond and corporate mutual funds, bonds and cash reserve funds. They are recorded at fair value based on quoted market prices. All other investments are reported at historical cost, if purchased, or, if contributed, at fair value on the date contributed.

Summary Financial Information for 2016 - The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the VOA's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

Allocation of Functional Expenses - The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the various functions.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Concentrations of Credit Risk - The VOA maintains its cash balances at several different financial institutions and investment companies in its service delivery area. The balances with the financial institutions are insured by the FDIC up to \$250,000 for each bank. The VOA can have exposure from time to time due to cash balances held in excess of the FDIC coverage. At June 30, 2017, VOA's cash balances held in money market investment accounts are insured by SIPC and the investment company's excess insurance coverage.

VOA has the following mix of grant receivables and grant revenue at June 30, 2017:

	<u>Receivable</u>	<u>Revenue</u>
Medicaid	49 %	58 %
U.S. Department of Health and Human Services	6 %	7 %
U.S. Department of Homeland Security	6 %	2 %
U.S. Department of Housing and Urban Development	15 %	9 %
U.S. Department of Veterans Affairs	20 %	19 %
State of Louisiana	0 %	3 %
Other Sources	4 %	2 %
Total	<u>100 %</u>	<u>100 %</u>

Fair Value Measurements - In 2009, the VOA adopted the provisions of FASB ASC 820.10 and subsections. Under FASB ASC 820.10, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FASB ASC 820.10 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs that reflect management’s best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given both to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Reclassifications – Certain reclassifications have been made to the 2016 summarized comparative information presented to correspond to the current year’s format. Net assets and changes in net assets are unchanged due to these reclassifications.

Note 3 Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2017, were composed of various donor restricted purposes and uncollected pledges as of June 30, 2017. Temporarily restricted net assets of \$3,445,536 are included in cash and cash equivalents, pledges receivable, designated and restricted assets, other assets, and fixed assets in the consolidated statement of financial position.

Note 4 Permanently Restricted Net Assets

Permanently restricted net assets at June 30, 2017, were composed of contributions restricted by donors. The VOA can annually distribute a percentage of the fund as determined by the Planned Giving and Endowment Advisory Committee. The VOA adopted the total return concept method in 2011 to determine the amount of future distributions of the fund. This concept takes into consideration income, net of expenses and the change of asset value. A distribution in the amount of \$102,054 was made in fiscal year 2017. Permanently restricted net assets of \$1,646,265 are comprised of Designated and Restricted Assets and Pledges Receivable in the consolidated statement of financial position.

Note 5 Fair Value Measurements

The VOA's measurements of fair value are made on a recurring basis and their valuation techniques for assets and liabilities recorded at fair value are as follows:

	<u>Level 1</u> Quoted Prices in Active Markets	<u>Level 2</u> Other Observable Inputs	<u>Level 3</u> Unobservable Inputs
Investments	\$ 3,192,587	\$ 563,628	\$ -
Pledges receivable	\$ -	\$ -	\$ 2,309,360
Unconditional promises to give	\$ -	\$ -	\$ 4,808

Management determines the fair value measurement valuation policies and procedures, including those for Level 3 recurring and nonrecurring measurements. Management determines if the current valuation techniques used in fair value measurements are still appropriate, and evaluates and adjusts the unobservable inputs used in the fair value measurements based on current market conditions and third-party information.

The table below presents information about fair value measurements that use significant unobservable inputs (Level 3):

	<u>Pledges</u>	<u>Promises to Give</u>	<u>Total</u>
Balance as of June 30, 2016	\$2,312,954	\$5,401	\$2,318,355
Payments Received	(564,027)	(725)	(564,752)
New Pledges Made	537,892	-	537,892
Write-offs	(136,513)	-	(136,513)
Change in Allowance	12,438	-	12,438
Change in Discount	146,616	132	146,748
Balance as of June 30, 2017	<u>\$2,309,360</u>	<u>\$4,808</u>	<u>\$2,314,168</u>

Note 6 Notes Receivable

VOA advanced funds to a related party in November 2013 in the amount of \$200,000 at a rate of 1% to be used in connection with a housing project in Shreveport, Louisiana. Principal plus all accrued interest is due in November 2017. See note 16.

Note 7 Investments

Investments at June 30, 2017 are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Money Market	\$ 1,001,478	\$ 1,001,478	\$ -
Mutual Funds	1,516,656	1,787,344	270,688
Fixed Income	780,171	794,953	14,782
Other Assets	129,309	172,440	43,131
	<u>3,427,614</u>	<u>3,756,215</u>	<u>328,601</u>
Less Current Investments (included in cash and cash equivalents)	<u>971,780</u>	<u>971,780</u>	<u>-</u>
Long-Term Investments (included in designated and restricted assets)	<u>\$ 2,455,834</u>	<u>\$ 2,784,435</u>	<u>\$ 328,601</u>

Investment return for the year ended June 30, 2017, is composed of interest and dividends of \$59,115, an unrestricted dividend of \$75,000 and a board-restricted dividend of \$104,227 paid from Louisiana Workers' Compensation Corporation, realized gains of \$4,403 and unrealized gains of \$171,300. Investment expenses of \$18,335 are included in other non-operating gains (losses).

Note 8 Accounts Receivable

At June 30, 2017, accounts receivable consisted of the following:

Grants and Contracts Receivable	\$ 1,593,432
Other Accounts Receivable	7,083
Less Allowance for Uncollectible Receivables	(59,422)
Total	<u>\$ 1,541,093</u>

Note 9 Debt

Direct subsidy conditional grant in the amount of \$390,000, governed by an Affordable Housing Program Agreement for Rental Project with the Federal Home Loan Bank of Dallas with 0% interest, secured by real estate. Grant has fifteen year retention period and will not have to be repaid as long as VOA complies with the agreement. The agreement is secured by real estate with a carrying amount of \$1,789,908 as of June 30, 2017.

\$ 390,000

Promissory note payable to the Louisiana Housing Finance Agency in the original amount of \$250,000 with 0% interest rate, payable in annual installments of \$25,000 but not in excess of an amount equal to fifty percent of surplus cash, due on first day of April, commencing April 2010; provided however, that all payments due hereunder shall be payable only out of and to the extent of the surplus cash to be determined by the Agency and after a cash distribution to the VOA of not more than \$10,000. This note matures April 1, 2020, and shall be forgiven on that date if the housing project has been maintained in accordance with the Agency's Affordable Rental Housing Program Regulatory Agreement. Note is secured by a continuing security interest in all rights, title and interest acquired or arising out of this note. The note is secured by real estate with a carrying amount of \$1,789,908 as of June 30, 2017.

250,000

Note payable to Red River Bank in the original amount of \$65,429 for server equipment, with a term of 24 months and the total amount financed bearing interest at the rate of 5.00% per annum. Interest shall be calculated on the basis of a 360 day year and twelve 30 day months. There will be a total of 24 payments of \$2,872. The note is unsecured.

8,557

In March 2017 a short term multiple advance loan held by VOA was converted to a note payable. The balance rolled into the note payable was \$125,698. The loan term is 60 months with a fixed interest rate of 4.25% and monthly payments of \$2,333. VOA has granted to Red River Bank a first priority security interest in the equipment and all proceeds and at all times shall be free and clear of any Liens other than Red River Bank's security interest therein. Equipment with a carrying amount of \$295,432 as of June 30, 2017 secures the note.

	<u>93,595</u>
	<u>742,152</u>
Less Current Portion	(31,832)
Long-Term Portion	<u>\$ 710,320</u>

Interest expense for the year ended June 30, 2017, was \$15,118. The long-term portion of the note payable to Red River Bank totaling \$70,320 is included in other long term liabilities on the consolidated statement of financial position.

The following is a schedule of the debt maturing in subsequent years ending June 30:

2018	\$	31,832
2019		24,299
2020		275,367
2021		20,654
2022		-
Thereafter		390,000
Total	\$	<u>742,152</u>

Note 10 Line of Credit

The VOA maintains a revolving line of credit payable to a financial institution, with a maximum credit of \$550,000, with interest based on the prime rate as quoted in the Wall Street Journal (the "Index") plus 0.25% over the index, with a minimum amount of 4.500%, maturing on July 22, 2017. This line of credit is secured by deposits, receivables, real estate and land. The line of credit outstanding as of June 30, 2017, was \$268,830.

Note 11 Leases

The VOA leases certain facilities, equipment, and vehicles under operating leases, which expire at various dates. The minimum future lease obligations under such leases are as follows for the fiscal years ending June 30:

2018	\$	529,051
2019		83,243
2020		84,309
2021		82,770
2022		27,200
Total	\$	<u>806,573</u>

Total rent expense under all leases amounted to \$792,871 for the year ended June 30, 2017, and is included in occupancy, equipment rental and maintenance, and travel and transportation expenses.

Note 12 Pledges Receivable

Pledges receivable are recorded as receivables and revenue when received. Pledges receivable are recorded as temporarily restricted net assets. When payment is received, they are subsequently designated to the appropriate net asset category in accordance with donor-imposed restrictions, if any. Pledges are recorded after being discounted to the anticipated net present value of the future cash flows. The VOA conducts various annual fund raising campaigns and receives multi-year donations from various contributors.

Following is a recap of the VOA's pledges receivable at June 30, 2017.

Total Pledges Receivable	\$	2,698,358
Less: Allowance for uncollectible pledges	(56,563)
Less: Discount, 4%	(<u>332,435)</u>
Net Pledges Receivable		2,309,360
Less Current Pledges Receivable	(572,132)
Long-term Pledges Receivable (included in other assets)	\$	<u>1,737,228</u>

Gross pledges due in:		
<1 year		649,868
1 – 5 years		1,956,585
After 5 years		91,905
Total Pledges Receivable	\$	<u>2,698,358</u>

Note 13 Promises to Give

Promises to give are recorded as receivables and revenue when received. Promises to give are recorded as permanently restricted net assets. When payment is received, they are subsequently designated to the appropriate net asset category in accordance with donor-imposed restrictions. Promises to give are recorded after being discounted to the anticipated net present value of the future cash flows. The VOA conducts various annual fund raising campaigns and receives multi-year donations from various contributors.

Following is a recap of the VOA's promises to give at June 30, 2017.

Total Promises to Give	\$	5,000
Less: Discount, @ 4%	(<u>192</u>)
Net Promises to Give		4,808
Less: Current Portion	(<u>4,808</u>)
Long-Term Portion (included in other assets)	\$	<u>-</u>

Gross amounts due in:		
< 1year	\$	5,000
1-2 years		-
2-3 years		-
3-4 years		-
4-5 years		-
Total	\$	<u>5,000</u>

Note 14 Pension Plan for Ministers

The VOA participates in a non-contributory defined benefit pension and retirement plan with the Volunteers of America, Inc. national organization called The Volunteers of America National Pension Plan. The plan's employer identification number is 13-1692595 and the plan's year end is December 31. The plan is a multi-employer plan and is not required to record the unfunded pension liability in its financials. The plan's disclosure information regarding the projected benefit obligation and unfunded status as they relate solely to Volunteers of America of North Louisiana is not available, which is typical for multi-employer plans. Because this plan is a church plan, and not subject to the Employment Retirement Security Act of 1974 (ERISA), the Organization is not required to file a Form 5500. This unfunded liability is collectively the liability of all participating employers. If there were any cash shortfalls in the plan, the plan would look towards the participating employers to help fund these amounts. The VOA has no plans to withdraw from its multi-employer pension plan.

The financial health of the multi-employer pension plan is indicated by the zone status, as defined by the Pension Protection Act of 2006, which represents the funded status of the plan as certified by the plan's actuary. As of June 30, 2016, the date of the most recent available information, the plan is less than 65% funded. Because the plan is not subject to ERISA, a funding improvement plan is not required; however, the national organization has voluntarily implemented a contribution assessment.

The plan is administered through a commercial insurance company and covers all commissioned ministers. Pension plan expense was \$39,353 for the year ended June 30, 2017.

Note 15 Retirement Plan

The VOA retirement savings plan is organized under Internal Revenue Code Section 403(b). The plan allows all employees with one year of service to participate. Employees are able to contribute annually up to

the statutory limitation, currently \$17,500. VOA will contribute up to five (5%) percent of gross wages on a dollar for dollar match of employee's contribution. Employees are one hundred (100%) percent vested after three years of service; employees hired prior to May 1, 2015 followed a two-year vesting rule. Contributions made to the plan are at the discretion of the Board of Directors. Retirement plan expense was \$135,726 for the year ended June 30, 2017, under this plan.

Note 16 Related-Party Transactions

The Organization is affiliated with Volunteers of America, Inc., which provides supporting services to the agency for a fee. Affiliate fees for the fiscal year ended June 30, 2017, totaled \$357,343. The amount due to Volunteers of America, Inc. for affiliate fees as of June 30, 2017, was \$35,754.

VOA manages seven HUD projects that are part of the national affiliation of Volunteers of America, Inc. Management fees charged by VOA to the HUD projects totaled \$115,832 for the year ended June 30, 2017. In addition to management fees, VOA paid certain expenses, including salaries, on behalf of the projects; these expenses totaled \$666,581. At June 30, 2017, the projects owed VOA \$92,434, which is included in other current assets.

VOA manages 2901 Dee St., Inc, doing business as Embassy House Apartments, that is also part of the national affiliation of Volunteers of America, Inc. Management fees charged by VOA to the Embassy property totaled \$14,496 for the year ended June 30, 2017. In addition to management fees, VOA paid certain expenses, including salaries, on behalf of the property; these expenses totaled \$79,481. At June 30, 2017, Embassy owed VOA \$3,685, which is included in other current assets

VOA, in connection with McAdoo Services Corporation, manages the McAdoo property and project to facilitate the development and provision of affordable housing and humanitarian services to qualified individuals in residence. Management and bookkeeping fees charged by the VOA to the McAdoo property totaled \$20,648. In addition, VOA paid certain expenses, including salaries, on behalf of the property and project; these expenses totaled \$60,639. At June 30, 2017, the project owed VOA \$6,934, which is included in accounts receivable, net. VOA leases office space from the McAdoo property to operate housing programs. Office rent expense totaled \$17,447 for the current year. VOA also subsidizes rent clients who lease apartments at the McAdoo property. Rent subsidy expenses paid to McAdoo totaled \$108,469 for the current year.

VOA has a \$200,000 note receivable with Renaissance Neighborhood Development Corporation, which is affiliated with Volunteers of America of Greater New Orleans. No repayment or advances have been made during the year ended June 30, 2017. See Note 6.

Note 17 Compensated Absences - Accrued Leave

Employees may accrue up to 160 hours of vacation leave each year. Upon an employee's separation of employment, earned and/or accrued leave will be paid up to a maximum of 160 hours. Employees can also accrue sick leave, but accumulated sick leave is forfeited upon separation of employment.

At June 30, 2017 the approximate amount of accumulated and vested employee leave benefits was \$224,541, which is included in accrued expenses.

Note 18 Accrued Expenses

At June 30, 2017, accrued expenses consisted of the following:

Accrued payroll	\$	375,632
Accrued annual leave payable		224,541
Accrued expenses		101,000
Total	\$	<u>701,173</u>

Note 19 Contingencies

As noted in Note 9, VOA has a conditional grant for \$390,000 and a promissory note outstanding for \$250,000 that will not have to be repaid as long as VOA complies with the stipulated terms of these two agreements. In the event VOA does not comply, they will be liable to repay these amounts.

The VOA is part of a multi-employer defined benefit pension plan that is currently underfunded. The unfunded liability is collectively the liability of all participating employers. If there were any cash shortfalls in the plan, the plan would look towards the participating employers to help fund the shortfalls. As of June 30, 2017, the liability, if any, of Volunteers of America of North Louisiana cannot be determined.

The VOA participates in a number of federally assisted grant programs. These programs are subject to program compliance audits under the Single Audit Act. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants. VOA management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Net client service revenue related to Medicaid is reported at the estimated net realizable amounts from third-party payors and others for services rendered. Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement.

The VOA is undergoing a sales tax audit as of June 30, 2017. The audit is in process and results are not yet available. Management believes that the amount of any potential liability will not be material.

The VOA is involved in litigation arising in the normal course of business. The VOA is not involved in any lawsuits that would not be covered by insurance. Management does not expect any potential liability to be material.

Note 20 Endowments

The Organization has permanently restricted funds, temporarily restricted funds, and unrestricted-board designated funds established for a variety of purposes.

Interpretation of Relevant Law

The Organization accounts for donor-restricted funds consistent with the provisions of Uniform Prudent management of Institutional Funds Act ("UPMIFA") as adopted by the State of Louisiana. The Organization seeks to preserve the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. Accordingly, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor agreement at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as either temporarily restricted based on donor-imposed restrictions for use or unrestricted – board designated net assets until appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the Organization and the donor restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Organization.
7. The investment policies of the Organization.

Return Objectives, Risk Parameters, and Spending Policy

The Organization invests its funds in companies and opportunities whose operational philosophy and management activities are consistent with the overall mission and objectives of the Organization. The primary objective is the long-term growth of the fund's assets. It is recognized that short-term fluctuations may result in the loss of capital earned on occasion. However, in the absence of contributions and withdrawals, the asset value of the funds should grow in the long run and earn rates of return greater than those of an appropriate market index, while avoiding excess risk. The next objective is the preservation of purchasing power. Asset growth, exclusive of contributions and withdrawals, should exceed the rate of inflation. The final objective is to preserve the value of the assets by earning a positive return over the investment time horizon. The Organization has adopted the Total Return Concept to determine dollars available for distribution. This concept is based on a three year rolling semi-annual average of asset values. An annual distribution of 3% to 5% is to be determined.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that is balanced between equity-based investments and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

Funds with Deficits

From time to time, the fair value of assets associated with individual endowment funds may fall below the level that the donor or UPMIFA requires the Organization to maintain as a fund of perpetual duration. Deficiencies of this nature are required to be reported in unrestricted net assets. There were no such deficiencies at June 30, 2017.

Composition

Endowment net assets composition by type of fund as of June 30, 2017 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Funds				
Donor Restricted	\$ -	\$ 392,143	\$ 1,641,265	\$ 2,033,408
Board Designated	753,527	-	-	753,527
Total Endowment Funds	<u>\$ 753,527</u>	<u>\$ 392,143</u>	<u>\$ 1,641,265</u>	<u>\$ 2,786,935</u>

A reconciliation of the beginning and ending balances of endowment funds as of June 30, 2017 is as follows:

Balance, Beginning	\$ 686,751	\$ 324,497	\$ 1,630,965	\$ 2,642,213
Contributions	25,000	(1,000)	10,300	34,300
Investment Income (Loss)	81,457	131,019	-	212,476
Distributions	(39,681)	(62,373)	-	(102,054)
Balance, Ending	<u>\$ 753,527</u>	<u>\$ 392,143</u>	<u>\$ 1,641,265</u>	<u>\$ 2,786,935</u>

Note 21 Unusual or Infrequently Occurring Items

During the year ended June 30, 2017, Volunteers of America of North Louisiana received a BP settlement claim for the net amount of \$228,638 relating to lost revenue suffered in relation to the Deep Water Horizon oil well spill. No settlement claim was received in 2016. Below is a detail of the 2017 BP settlement claim:

BP Deep Water Horizon settlement amount	\$ <u>340,622</u>
Professional service fees:	
Accounting fees	(9,798)
Brokerage fees	(17,031)
Legal fees	(85,155)
Total professional fees	<u>(111,984)</u>
BP Claim, net of fees	\$ <u><u>228,638</u></u>

Note 22 Subsequent Events

On July 14, 2017 the Rural Veterans Coordination Pilot federal award program was closed out. A Telemed van in the amount of \$143,478 was previously purchased with grant funds in May 2015. The net book value of the van as of June 30, 2017 was \$81,304. The van may either be sold and the proceeds remitted to the federal awarding agency, used for the same or a similar function, or returned to the federal awarding agency. Management is in the process of evaluating the best course of action.

The note receivable for funds advanced to a related party in the amount of \$200,000 has an original due date of November 2017. See Note 6. Management is in negotiations with the related party to extend or convert the note.

The note payable to Red River Bank with a balance of \$93,595 as of June 30, 2017 was paid off subsequent to year end. See Note 9.

The Line of Credit with an outstanding balance of \$268,830 as of June 30, 2017 maturing on July 22, 2017 has been extended through October 22, 2017. See Note 10.

The VOA has evaluated subsequent events through October 24, 2017, the date which financial statements were available to be issued.

Additional Information

Volunteers of America of North Louisiana

Shreveport, Louisiana

Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Number	Total Federal Expenditures
U.S. Department of Agriculture Food and Nutrition Service <u>Passed through Louisiana Department of Education-CACFP</u> Child and Adult Care Food Program - ADHC	10.558	2014-062	32,634
U.S. Department of Health and Human Services <u>Passed through the National Council on Aging</u> Medicare Enrollment Assistance Program	93.071	929	53,400
<u>Passed through the Central Louisiana Human Services District</u> Projects for Assistance in Transition from Homelessness	93.150	731221	58,582
<u>Passed through the State of Louisiana Department of Children and Family Services</u> Promoting Safe and Stable Families - Alex. Child Welfare	93.556	732871	294,165
<u>Passed through LA Alliance for Life</u> TANF Cluster Temporary Assistance for Needy Families - Pregnancy Services Total TANF Cluster	93.558	N/A	19 19
<u>Passed through Louisiana Children's Trust Fund</u> Community-Based Child Abuse Prevention Grants	93.590	2000203378	6,080
<u>Passed through the Central Louisiana Human Services District</u> Block Grants for Community Mental Health Services - Elig Assist Reg VI Block Grants for Community Mental Health Services - ACOS Block Grants for Community Mental Health Services - Transitional Living Block Grants for Community Mental Health Services - Behavioral Health Advocacy	93.958 93.958 93.958 93.958	731214 731261 731228 2000138842	54,332 108,199 58,444 20,233
<u>Passed through the Northwest Louisiana Human Services District</u> Block Grants for Community Mental Health Services - Region VII Block Grants for Community Mental Health Services - GAPS Block Grants for Community Mental Health Services - SHOC	93.958 93.958 93.958	731697 731713 731712	65,000 44,656 39,143
<u>Passed through the Northeast Delta Human Services Authority</u> Block Grants for Community Mental Health Services - Region VIII Total Block Grants for Community Mental Health	93.958	200195602	22,378 412,385
<u>Passed through the Northeast Delta Human Services Authority</u> Block Grants for Prevention & Treatment of Substance Abuse - Region VIII	93.959	200195602	22,378
U.S. Department of Homeland Security <u>Passed through the United Way of Northwest Louisiana</u> Emergency Food and Shelter National Board Program	97.024	356400-022	16,000
<u>Passed through National Council of the US, Society of St. Vincent De Paul, Inc.</u> Disaster Assistance Projects	97.088	DSD 2016-2	216,556

(Continued on next page)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grantor's Number	Total Federal Expenditures
U.S. Department of Housing and Urban Development			
<u>Direct Awards</u>			
Continuum of Care Program - GAPS (Congregate)	14.267	LA0039L6H021508	208,473
Continuum of Care Program - GAPS (Congregate)	14.267	LA0039L6H021609	237,305
Continuum of Care Program - SHOC (Scattered)	14.267	LA0046L6H021508	530,858
Continuum of Care Program - SHOC (Scattered)	14.267	LA0046L6H021609	49,729
Continuum of Care Program - Supportive Permanent Housing	14.267	LA0141L6H071407	30,732
Continuum of Care Program - Supportive Permanent Housing	14.267	LA0141L6H071306	114,972
Continuum of Care Program - Supportive Permanent Housing	14.267	LA0188L6H071401	7,513
Continuum of Care Program - Supportive Permanent Housing	14.267	LA0188L6H071502	13,767
Total Continuum of Care Program			1,193,349
<u>Passed through City of Bossier City, Louisiana</u>			
Community Development Block Grants - Lighthouse Bossier City	14.218	B-16-MC-22-0009	11,000
<u>Passed through City of Shreveport, Louisiana</u>			
Community Development Block Grants - Communities in Schools	14.218	2016-00004911	25,000
Total Community Development Block Grants			36,000
U.S. Department of Labor			
<u>Passed through City of Shreveport, Louisiana</u>			
WIA/WIOA Cluster			
WIA/WIOA Youth Activities - Project Hope	17.259	K1504	93,953
Total WIA/WIOA Cluster			93,953
U.S. Department of Veteran Affairs			
<u>Direct Awards</u>			
VA Homeless Providers Grant and Per Diem Program - Transitional Housing	64.024	08-853-LA	669,262
<u>Passed through the Volunteers of America of Greater New York</u>			
VA Homeless Providers Grant and Per Diem Program - Safe Haven	64.024	GS-02F-097AA	620,455
Total VA Homeless Providers Grant and Per Diem Program			1,289,717
<u>Passed through the Volunteers of America of Greater New Orleans</u>			
VA Supportive Services for Veteran Families Program	64.033	14-LA-038	353,782
VA Supportive Services for Veteran Families Program	64.033	11-LA-76	192,910
Total through Volunteers of America of Greater New Orleans			546,692
<u>Direct Awards</u>			
Veterans State Adult Day Health Care	64.026	PADHC6670005	130,166
<u>Direct Awards</u>			
Grants for the Rural Veterans Coordination Pilot - RVCP	64.038	2014-RVCP-68	520,812
Total expenditures of federal awards			\$ 4,922,889

See Independent Auditors' Report.

**Volunteers of America of North Louisiana
Shreveport, Louisiana**

Notes to the Schedule of Expenditures of Federal Awards
June 30, 2017

Note 1 Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Volunteers of America of North Louisiana (the VOA) under programs of the federal government for the year ended June 30, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the VOA, it is not intended to and does not present the financial position or changes in net assets of the VOA.

Note 2 Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The VOA has elected not to use the 10% de minimus indirect cost rate as allowed under the Uniform Guidance. There were no subrecipients in the current year.

Note 3 Matching Requirements

Certain federal programs require the VOA to contribute non-federal funds (matching funds) to support the federally-funded programs. The VOA has met its matching requirements. The Schedule does not include the expenditure of non-federal funds.

**Volunteers of America of North Louisiana
Shreveport, Louisiana**

**Schedule of Compensation, Benefits and Other Payments to Agency Head or
Chief Executive Officer**

Agency Head Name: Charles Meehan

Purpose	Amount
Salary	\$ 90,617.25
Benefits-insurance	13,455.12
Benefits-retirement	25,080.49
Cell phone	985.96
Reimbursements	25,352.47
Travel	4,015.93
Conference travel	1,350.10
Housing	60,000.07
Special meals	2,452.31
Other (including payments made by other parties on behalf of the agency head)	1,843.03

See Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Volunteers of America of North Louisiana
Shreveport, Louisiana

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Volunteers of America of North Louisiana (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Volunteers of America of North Louisiana as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Volunteers of America of North Louisiana's 2016 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 31, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to agency head or chief executive officer is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2017, on our consideration of the Volunteers of America of North Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Volunteers of America of North Louisiana's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana

October 24, 2017



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Volunteers of America of North Louisiana
Shreveport, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Volunteers of America of North Louisiana (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 24, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Volunteers of America of North Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Volunteers of America of North Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of Volunteers of America of North Louisiana's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Volunteers of America of North Louisiana's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Volunteers of America of North Louisiana's Response to Findings

Volunteers of America of North Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Volunteers of America of North Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
October 24, 2017



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Volunteers of America of North Louisiana
Shreveport, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Volunteers of America of North Louisiana's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Volunteers of America of North Louisiana's major federal programs for the year ended June 30, 2017. Volunteers of America of North Louisiana's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Volunteers of America of North Louisiana's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Volunteers of America of North Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Volunteers of America of North Louisiana's compliance.

Opinion on Each Major Federal Program

In our opinion, Volunteers of America of North Louisiana complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2017-002 and 2017-003. Our opinion on each major federal program is not modified with respect to this matter.

Volunteers of America of North Louisiana's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Volunteers of America of North Louisiana's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Volunteers of America of North Louisiana is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Volunteers of America of North Louisiana's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Volunteers of America of North Louisiana's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-002 and 2017-003 that we consider to be significant deficiencies.

Volunteers of America of North Louisiana's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Volunteers of America of North Louisiana's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Shreveport, Louisiana
October 24, 2017

**Volunteers of America of North Louisiana
Shreveport, Louisiana**

Schedule of Findings and Questioned Costs
June 30, 2017

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Compliance and internal control over financial reporting:	
Significant deficiency(ies) identified?	Yes
Material weakness(es) identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Significant deficiency(ies) identified?	Yes
Material weakness(es) identified?	No
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	Yes

Identification of major programs:

CFDA Number	Name of Program or Cluster
14.267	Continuum of Care Program
97.008	Disaster Assistance Projects

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings Reported in Accordance with *Governmental Auditing Standards*

2017-001 Time Entry and Medicaid Billing

Criteria:

Each entry entered into the Medicaid services software should correspond to time entered into the time entry system.

Condition:

During testing over Behavioral Health Medicaid revenue it was noted that for twelve (12) of the seventy nine (79) transactions tested, services entered into the Medicaid services software did not correspond to time entered into the time entry system.

Context:

A sample of 79 of the 26,034 behavioral health billing transactions during the fiscal year was selected for testing. Twelve exceptions were noted in which time sheets did not correspond to the service input into the billing software. This is considered to be a systemic problem. This is not a repeat finding.

Cause:

There is no control in place to reconcile time entered for services billed to Medicaid in the billing software to time entered per the time entry system.

Questioned Costs: Not determinable.

Effect or potential effect:

Services billed to Medicaid that are not reported in the time entry system could be disallowed. Employees may not be paid for time entered into the Medicaid billing software that is not reported in the time entry system.

Recommendation:

We recommend that time for services entered into the Medicaid billing software be reconciled to time entered into the time entry system to ensure all services provided are consistently supported. We also recommend that clinicians be counseled on the importance of accurate time entry.

Views of Responsible Officials:

Management believes that this program has grown so fast the organization has not been as proactive at ensuring all needed controls are in place. Management agrees with the finding and is implementing corrective action immediately. Please refer to the corrective action plan.

Section III – Federal Award Findings and Questioned Costs

Current Year Findings and Responses

2017-002 Payroll Charges

Federal Program, CFDA#, Federal Award # and Year, Federal Agency, Pass-Through Entity
Continuum of Care Program, CFDA # 14.267, LA0141L6H071508 for federal award year 2015, U.S. Department of Housing and Urban Development, direct award – pass-through entity is not applicable

Criteria or Specific Requirement:

According to Office of Management and Budget 2 CFR Part 200.430 “Compensation-personal services, charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must: (i) Be supported by a system of internal control which provides that charges are accurate, allowable, and properly allocated; (ii) Be incorporated into the official records of the non-Federal entity; (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities; (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity’s written policy; (v) Comply with the established accounting policies and practices of the non-Federal entity; and (vii) Support the distribution of the employee’s salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award, an indirect cost activity; two or more indirect cost activities which are allocated using different allocation bases; or an unallowable activity and direct or indirect cost activity.”

Condition:

During testing of time and attendance records supporting charges to a non-federal program, it was noted that time for an employee whose time was split between a federal and a non-federal program was not correctly allocated between the federal and non-federal programs in the time entry system. As a result, the federal program was over reimbursed. The employee’s salary should have been allocated between the programs based on the employee’s time spent on each activity.

Context:

This condition was noted during behavioral health billing transactions testing. This appears to be a systemic problem affecting only employees that are shared or allocated between programs. This is not a repeat finding.

Cause:

Time worked which was not accurately coded to the proper program in the time entry system was not detected during employee or supervisor review and approval of timesheets. There is not a control in place to reconcile time charged to individual programs for employees working for multiple programs and to ensure time is properly allocated and charged to the appropriate program based on actual work performed for the programs.

Effect:

Salaries and benefits for employees working in multiple programs may be improperly charged to and reimbursed by federal award programs. The entity may not be in compliance with principles to be applied in establishing the allowability of certain items involved in determining costs and basic considerations of factors affecting the allowability of costs. Unallowable charges may be billed to federal programs which have to be repaid.

Questioned Costs: Not applicable.

Recommendation:

We recommend that time worked for each program be reconciled to time entered into the time entry system to ensure all salaries and benefits charged to federal programs are properly supported. We also recommend that employees be counseled on the importance of proper program coding in the time entry system. We also recommend a more thorough review of timesheets including hours worked and program coding by employees and supervisors.

Views of Responsible Officials:

Management recognizes the need for additional controls to ensure appropriate charges to federally funded programs and is implementing corrective action immediately. Please refer to the corrective action plan.

2017-003 Training, Case Files and Eligibility Documentation

Federal Program, CFDA#, Federal Award # and Year, Federal Agency, Pass-Through Entity
Disaster Assistance Projects, CFDA # 97.008, DSD 2016-2 for federal award year 2016, U.S. Department of Homeland Security, passed through National Council of the US, Society of St. Vincent De Paul, Inc.

Criteria or Specific Requirement:

According to the Louisiana Department of Health Louisiana Disaster Case Management Program Manual used to administer the program, all provider agencies and their subcontractors are required to participate in trainings by the Louisiana Office of Community Development Disaster Recovery Unit or Louisiana Department of Health or their designees. Sign in sheets will be maintained for all trainings offered to reflect delivery and compliance. Training should be completed prior to making eligibility determinations. The manual also states that a Release of Information (ROI) is to be obtained during intake and assessment. All Disaster Case Management agencies must use the required ROI forms. A Disaster Case Management Program case is not able to be opened for a household until there is a signed ROI on file. The original ROI should be maintained in the household's file. Also, according to the manual, a Duplication of Benefits Report (DOB) must be included in the file, listing each type of assistance received and signed by the Disaster Case Manager, accepting the DOB as proof of eligibility. Disaster Case Managers need to secure DOBs for clients in a timely manner in order to verify assistance provided to clients as well as to ensure that there is no duplication of benefits occurring.

Condition:

During testing of client case files the following items were noted. Evidence of training was not on file and could not be provided for the five out of five disaster case managers. One of the forty files tested did not contain a Release of Information (ROI). Two of the forty files tested did not contain a Duplication of Benefits (DOB). These forms could not be located. For the two cases that did not contain a Duplication of Benefits form, it could not be determined that benefits are in compliance with the requirements of the program and there is no duplication of benefits

Context:

The program was administered by five case managers and one supervisor. Training documentation was not provided for the five case managers. Forty (40) of the three hundred fourteen (314) case files assigned to the case managers and supervisor were selected for testing. One of the forty case files tested did not contain a required Release of Information (ROI). Two of the forty case files tested did not contain a required Duplication of Benefits Review (DOB) and as a result it could not be determined if benefits were in compliance with the requirements of the program. This is considered to be a systemic problem. This is not a repeat finding.

Cause:

Proper controls are not in place to ensure evidence of training is maintained on file, all required documents are included in each case file, and to ensure compliance with the eligibility requirements.

Effect:

The entity may not be in compliance with the requirements of the program. Benefits may be provided to households who are not eligible in accordance with program guidelines.

Questioned Costs:

None noted.

Recommendation:

We recommend that policies and procedures be implemented to evidence of all case manager training is maintained on file. We also recommend that policies and procedures be implemented to ensure all required forms are included in the case files.

Views of Responsible Officials:

Management recognizes the need to ensure all federally funded programs are following established procedures for documentation and will be implementing corrective action immediately. Please refer to the corrective action plan.

**Volunteers of America of North Louisiana
Shreveport, Louisiana**

Corrective Action Plan
June 30, 2017

Financial Statement Findings Reported in Accordance with *Governmental Auditing Standards*

2017-001 Time Entry and Medicaid Billing

Condition:

During testing over Behavioral Health Medicaid revenue it was noted that for twelve (12) of the seventy nine (79) transactions tested, services entered into the Medicaid services software did not correspond to time entered into the time entry system.

Corrective action planned:

Most clinicians work a set schedule that encompasses the hours of Monday through Friday, 8 am to 4 pm. The majority of instances where the time entered into the Medicaid billing software did not agree to the time entered into the payroll software were outside of the regularly scheduled hours. Therefore, management believes that an audit of those outliers will be sufficient to detect and rectify any inconsistencies going forward.

Management is instituting an internal audit process that will audit the data entry into Service Point for Medicaid billing in comparison to the data entry into Time Star for time keeping and employee pay. This audit will be scheduled quarterly and will be performed by Clinical supervisors. The supervisors will be provided a time sheet report that details the in and out times for each employee by payroll for the quarter.

The supervisors will then run a service summary report in Service Point for the services provided in the same date range as the time keeping report. The supervisor will then isolate outlying times, specifically services provided before 8 am after 4 pm or on any non-regular workday and compare those to the time keeping report. For any services that do not match the time keeping report, the supervisor will contact the clinician that provided the service to determine which system is correct. The supervisor will then take necessary corrective action as needed.

Persons responsible for corrective action:

Marti Ford, Eddie Jenkins, and Ken Beatty

Anticipated completion date:

November 30, 2017

Federal Award Findings and Questioned Costs

2017-002 Payroll Charges

Program Name and CFDA#

Continuum of Care Program, CFDA # 14.267

Condition:

During testing of time and attendance records supporting charges to a non-federal program, it was noted that time for an employee whose time was split between a federal and a non-federal program was not correctly allocated between the federal and non-federal programs in the time entry system. As a result, the federal program was over reimbursed. The employee's salary should have been allocated between the programs based on the employee's time spent on each activity.

Corrective action planned:

Our organization has a complexity of federally funded programs that are billed through Medicaid and federally funded programs that are not Medicaid billed. Management believes that a two prong approach is required to resolve this non-compliance issue to address all federally funded programs.

The first approach will be a monthly reconciliation done by the clinical supervisor for programs that are Medicaid billing programs. The clinical supervisor will run the service summary report in Service Point for the date range being reconciled. Then, the supervisor will run the time sheet report in time star for the same date range. The supervisor will ensure that any times billed for services in Service Point are correspondingly charged to that program in time star.

The second approach is an additional control related to time charged to federally funded programs that management believes is an important step that will further ensure funding source compliance. This step will be a monthly audit of non-Medicaid billed Federally funded programs that have employees that perform billable activities in multiple programs. The control process will be established by accounting. The process steps and information to be audited will be determined and implemented in the current fiscal year.

Persons responsible for corrective action:

Marti Ford and Ken Beatty

Anticipated completion date:

December 31, 2017

2017-003 Training, Case Files and Eligibility Documentation

Program Name and CFDA#

Disaster Assistance Projects, CFDA # 97.008

Condition:

During testing of client case files the following items were noted. Evidence of training was not on file and could not be provided for five disaster case managers. One of the forty files tested did not contain a Release of Information (ROI). Two of the forty files tested did not contain a Duplication of Benefits (DOB). These forms could not be located. For the two cases that did not contain a Duplication of Benefits form, it could not be determined that benefits are in compliance with the requirements of the program and there is no duplication of benefits

Corrective action planned:

Our organization has a complexity of federally funded programs that are billed through Medicaid and federally funded programs that are not Medicaid billed. Management believes that a two prong approach is required to resolve this non-compliance issue to address all federally funded programs.

The first approach is being implemented by our Quality Assurance Committee. This committee is developing an internal monitoring tool and workflow. This monitoring process will be fully developed by 12/31/17 and implemented by 1/31/18.

The second approach is an additional control related to documentation of services provided in a federally funded program that management believes is an important step that will further ensure funding source compliance. This step will be a monthly audit of Medicaid billed services in Service Point to ensure appropriate notes are recorded in Service Point to support the service billed. A template for an acceptable note documentation has been established by our VP of Behavioral Health. Accounting is establishing who will be responsible for performing the monthly audit. Person(s) responsible will run the Notes recorded on service report in Service Point for the date range being audited. For any notes that are not present or do not follow the established template, person(s) responsible will follow up with clinician and ensure corrective action is taken, when necessary.

Persons responsible for corrective action:
Marti Ford, Ken Beatty, Bailee Winterrowd

Anticipated completion date:
January 31, 2018

**Volunteers of America of North Louisiana
Shreveport, Louisiana**

Summary Schedule of Prior Audit Findings
June 30, 2017

Financial Statement Findings Reported in Accordance with *Governmental Auditing Standards*

None

Federal Award Findings and Questioned Costs

2016-001 Tenant Files and Eligibility Documentation Missing

Program Name and CFDA #:

Continuum of Care Program, CFDA # 14.267

Fiscal Year in Which the Finding Initially Occurred:

2016

Condition:

Tenant files could not be located for four of the twenty-five individuals served by the program selected for testing. Documentation supporting eligibility was not included in the tenant file for three of the twenty-five individuals selected for testing.

Status:

Corrective action was taken. We continue to follow the action plan and procedures outlined in the Schedule of Findings and Questioned Costs for Fiscal Year 2016.

**Volunteers of America of North Louisiana
Shreveport, Louisiana**

STATEWIDE AGREED-UPON PROCEDURES REPORT

For the fiscal period July 1, 2016 through June 30, 2017



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CPAs and Advisors

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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of Volunteers of America of North Louisiana
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Volunteers of America of North Louisiana ("VOANL") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 to June 30, 2017. VOANL's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained the entity's written policies and procedures and reported whether those written policies and procedures address each of the following financial/business functions (or reported that the entity does not have any written policies and procedures), as applicable:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

Comment: *No exceptions were noted in the procedures performed.*

- b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Comment: *We identified no written Purchasing policies and procedures that address how vendors are added to the vendor list. Per inquiry of management, there are procedures implemented that address how vendors are added to the vendor list; however, they are not included in the written policy.*

- c) **Disbursements**, including processing, reviewing, and approving.

Comment: *No exceptions were noted in the procedures performed.*

- d) **Receipts**, including receiving, recording, and preparing deposits.

Comment: *No exceptions were noted in the procedures performed.*

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Comment: *No exceptions were noted in the procedures performed.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Comment: *We noted VOANL has no written Contracting policies and procedures that address legal review and the monitoring process.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

Comment: *We noted VOANL has no written Credit Card policies and procedures. Per review of VOANL's written policies and procedures, credit card purchases are subject to the policies related to all other purchases, including allowable use, documentation, approvals, and monitoring.*

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Comment: *No exceptions were noted in the procedures performed.*

Board (or Finance Committee, if applicable)

- 2. We obtained and reviewed the board/committee minutes for the fiscal period, and:

- a) We reported whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Comment: *We noted VOANL's Board of Directors met, with a quorum, according to its annual meeting schedule (the Board met in September, November, February, and June).*

- b) We reported whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, we reported whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, we reported whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Comment: *VOANL's board meeting for one month did not address budget-to-actual comparisons.*

- c) We reported whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Comment: *We noted minutes referenced or included non-budgetary financial information for at least one meeting during the fiscal period.*

Bank Reconciliations

3. We obtained a listing of client bank accounts from management and management's representation that the listing is complete.

Comment: *No exceptions were noted in the procedures performed.*

4. Using the listing provided by management, we selected all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). For each of the bank accounts selected, we obtained bank statements and reconciliations for all months in the fiscal period and reported whether:

- a) Bank reconciliations have been prepared;

Comment: *We noted VOANL did not prepare bank reconciliations from September 2016 to January 2017 for its Chase Operating bank account. . Per inquiry of management, VOANL lost online access to Chase in September 2016, and did not regain access until January of 2017.*

- b) Bank reconciliations included evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation;

Comment: *We noted the bank reconciliations that were prepared contained evidence of approval by a member of management.*

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Comment: *We noted no significant reconciling items have been outstanding for more than six months as of the end of the fiscal period.*

Collections

5. We obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Comment: *No exceptions were noted in the procedures performed.*

6. Using the listing provided by management, we selected all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

- a) We obtained existing written documentation (e.g. insurance policy, policy manual, job description) and reported whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Comment: *We noted the person who collects funds electronically deposits checks using a check deposit machine. Cash is transported to the bank by a designated runner. No other exceptions were noted.*

- b) We obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and reported whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

Comment: We noted VOANL had not implemented a location-specific reconciliation process for the Jordan, Herndon, McAdoo, and Magnolia locations as of June 30, 2017. Collections for the Jordan, Herndon, and Magnolia locations are deposited into VOANL's Red River Operating bank account. The 'Veterans' location collections are all deposited into the Regions Savings Account-Veterans, which is reconciled monthly. Collections at the McAdoo location are deposited into the McAdoo bank account, which is reconciled monthly.

- c) We selected the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
- Using entity collection documentation, deposit slips, and bank statements, we traced daily collections to the deposit date on the corresponding bank statement and reported whether the deposits were made within one day of collection. If deposits were not made within one day of collection, we reported the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, we verified that daily cash collections are completely supported by documentation and reported any exceptions.

Comment: We identified the following findings and exceptions related to cash collections.

Jordan location: Per inquiry of management, there is no daily collection sheet for the main Jordan Street location. Therefore, we could not determine the date of collection of funds for this location. Per discussion with management, the collector deposits checks within one day of receipt by using her check deposit machine located in her office. Cash is transported to the bank by a runner.

Herndon location: Per inquiry of management, there is no daily collection sheet for the Herndon location. Therefore, we could not determine the date of collection of funds for this location. Per discussion with management, the collector deposits checks within one day of receipt by using her check deposit machine located in her office. Cash is transported to the bank by a runner.

McAdoo location: Per inquiry of management, there is no daily collection sheet for the McAdoo location. Therefore, we could not determine the date of collection of funds for this location. Per discussion with management, the collector deposits checks within one day of receipt by using her check deposit machine located in her office. Cash is transported to the bank by a runner.

Veteran's location: The Veteran's location had 7 checks collected on 8/1/16 and deposited on 8/5/16, as well as 6 checks collected on 8/3/16 and deposited on 8/5/16. Checks are deposited with a check deposit machine by the collector. Cash is transported to the bank by a runner.

All other collection procedures were performed without exception.

7. We obtained existing written documentation (e.g. policy manual, written procedure) and reported whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Comment: Per VOANL's policy manual, cash receipts are centralized (all cash receipts from different locations are sent to the main office on Jordan Street). The mail is opened and a listing of cash/checks received is prepared. A deposit slip is then prepared from the cash/checks received and compared to the daily receipts listing for discrepancies. Checks are deposited with a check deposit machine located in the main Jordan Street accounting office. Cash deposits are taken to the bank by a runner. Collections at seminars and conferences are reconciled to the registration database and pre-numbered receipts are performed. Then, the collections are sent to the Jordan location for recording and deposit.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. We obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sorted/filtered for entity disbursements. We obtained management's representation that the listing or general ledger population is complete.

Comment: No exceptions were noted in the procedures performed.

9. Using the disbursement population from #8 above, we randomly selected 25 disbursements (or randomly selected disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. We obtained supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and reported whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Comment: No exceptions were noted in the procedures performed.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we reported whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Comment: No exceptions were noted in the procedures performed.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we reported whether the persons with signatory authority or who makes the final authorization for disbursements have no responsibility for initiating or recording purchases.

Comment: No exceptions were noted in the procedures performed.

12. We inquired of management and observed whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and reported any exceptions. Alternately, if the checks were electronically printed on blank check stock, we reviewed entity documentation (electronic system control documentation) and reported whether the persons with signatory authority have system access to print checks.

Comment: *No exceptions were noted in the procedures performed.*

13. If a signature stamp or signature machine is used, we inquired of the signer whether his or her signature was maintained under his or her control or was used only with the knowledge and consent of the signer. We inquired of the signer whether signed checks were likewise maintained under the control of the signer or authorized user until mailed. We reported any exceptions.

Comment: *No exceptions were noted in the procedures performed.*

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.

Comment: *No exceptions were noted in the procedures performed.*

15. Using the listing prepared by management, we randomly selected 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. We obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. We selected the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, selected the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) We reported whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Comment: *We noted monthly credit card statements had no written evidence of approval.*

- b) We reported whether finance charges and/or late fees were assessed on the selected statements.

Comment: *No finance charges and/or late fees were identified on the selected statements.*

16. Using the monthly statements or combined statements selected under #15 above, we obtained supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, we reported whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Comment: *No exceptions were noted in the procedures performed.*

- b) For each transaction, we compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and reported any exceptions.

Comment: *No exceptions were noted in the procedures performed.*

- c) For each transaction, we compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner reported the transaction as an exception.

Comment: *No exceptions were noted in the procedures performed.*

Travel and Expense Reimbursement

17. We obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtained the general ledger and sorted/filtered for travel reimbursements. We obtained management's representation that the listing or general ledger is complete.

Comment: *No exceptions were noted in the procedures performed.*

18. We obtained the entity's written policies related to travel and expense reimbursements. We compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and reported any amounts that exceed GSA rates.

Comment: *No exceptions were noted in the procedures performed.*

19. Using the listing or general ledger from #17 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) We compared expense documentation to written policies and reported whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, we compared to the GSA rates (#18 above) and reported each reimbursement that exceeded those rates.

- b) We reported whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

- c) We compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner reported the transaction as an exception.
- d) We reported whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Comment: *No exceptions were noted in the procedures performed.*

Contracts

- 20. We obtained a listing of all contracts in effect during the fiscal period or, alternately, obtained the general ledger and sorted/filtered for contract payments. We obtained management's representation that the listing or general ledger is complete.

Comment: *No exceptions were noted in the procedures performed.*

- 21. Using the listing above, we selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). We obtained the related contracts and paid invoices and:

- a) We reported whether there is a formal/written contract that supports the services arrangement and the amount paid.
- b) We compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. We reported whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, we obtained/compared supporting contract documentation to legal requirements and reported whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, we obtained supporting contract documentation and reported whether the entity solicited quotes as a best practice.
- c) We reported whether the contract was amended. If so, we reported the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- e) We selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and reported whether the invoice and related payment complied with the terms and conditions of the contract.
- f) We obtained/reviewed contract documentation and board minutes and reported whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Comment: *No exceptions were noted in the procedures performed.*

Payroll and Personnel

22. We obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing is complete. We randomly selected five employees/officials, obtained their personnel files, and:
- a) We reviewed compensation paid to each employee during the fiscal period and reported whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) We reviewed changes made to hourly pay rates/salaries during the fiscal period and reported whether those changes were approved in writing and in accordance with written policy.

Comment: *No exceptions were noted in the procedures performed.*

23. We obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. Within that pay period, we randomly selected 25 employees/officials (or randomly selected one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
- a) We reported whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) We reported whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
 - c) We reported whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Comment: *We performed the procedures above without exception.*

24. We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, we selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. We reported whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Comment: *We noted all termination payouts were paid in accordance with contracted amounts and approved by management.*

25. We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. We reported whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Comment: *We noted payroll taxes relating to the 7/8/16, 9/2/16, and 9/30/16 paydays each had a settlement date one day past due, per Circular E guidelines in the IRS's Employer's Tax Guide. Circular E guidelines state that if a payday falls on either Wednesday, Thursday, or Friday, payroll taxes must be deposited by the following Wednesday. We noted Form 941 for the 3rd Quarter 2016 was not submitted by the required deadline.*

Other

26. We inquired of management whether the entity had any misappropriations of public funds or assets. If so, we obtained/reviewed supporting documentation and reported whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Comment: Management represented that there had been no misappropriations of public funds or assets during the fiscal year.

27. We observed and reported whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Comment: We noted the entity does not have the notice posted on its premises and website.

28. If we observed or otherwise identified any exceptions regarding management's representations in the procedures above, we reported the nature of each exception.

Comment: No exceptions noted.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of the board and management of Volunteers of America of North Louisiana and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS, & INGRAM, LLC
Shreveport, Louisiana
December 27, 2017



Volunteers of America®
NORTH LOUISIANA

January 2, 2018

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And

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RE: Management Response to Agreed-Upon Procedures

The Volunteers of America of North Louisiana Management Team has reviewed the Independent Accountant's report on applying agreed-upon procedures. The management team is in agreement with the report as provided by Carr, Riggs, & Ingram. In addition, Volunteers of America of North Louisiana has implemented changes or additions to policy or procedures where necessary to meet the expectation identified in the report.

Respectfully,

Marti Ford
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